



RED POLÍTICAS PÚBLICAS
Y DESARROLLO RURAL EN
AMERICA LATINA



Genesis of Payment for Environmental Services Program in Costa Rica: a policy process perspective

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Rational

- Payments for Environmental Services (PES) have received a great deal of attention as an instrument to support conservation effort
- But the role of actors interplays in the design of the instrument has been less developed (Corbera *et al.*, 2009; McAfee and Shapiro, 2010)
- Costa Rican PES program PESP is an emblematic PES
 - A pioneer effective program set by the 4th forestry law # 7575 (Pagiola *et al.*, 2007)
 - Most analyzed program ...
- A debate on the sense of this instrument
 - A social and institutional innovation (Camacho *et al.*, 2000; Segura, 2003)
 - A innovation (justification/funding tax) in continuity (Pagiola, 2008)
 - A continuation of public intervention (Fletcher and Breitling, 2012), or evolution toward a neoliberal policy (Matulis, 2013) or the emergence of hybrid regime (Brockett and Gottfried, 2002)

Objective and research questions

- **Objective of the research** : Analyze the policy process that have led to emergence of the Costa Rican PESP to understand governance of PESP.
- **Research questions:**
 - Why PESP was elected as a policy instrument in Costa Rican context?
 - What are the factors that have permitted the rapid adoption of PESP?
 - How the policy process shape the governance of the PESP?

Conceptual and analytical framework

We use a combination of two approaches:

1. Policy sequential approach to describe the process

➔ 5 sequence model (James Anderson, 1975, ...)

(1) Policy agenda; (2) Policy formulation; (3) Policy adoption; (4) Policy implementation;
(5) Policy evaluation

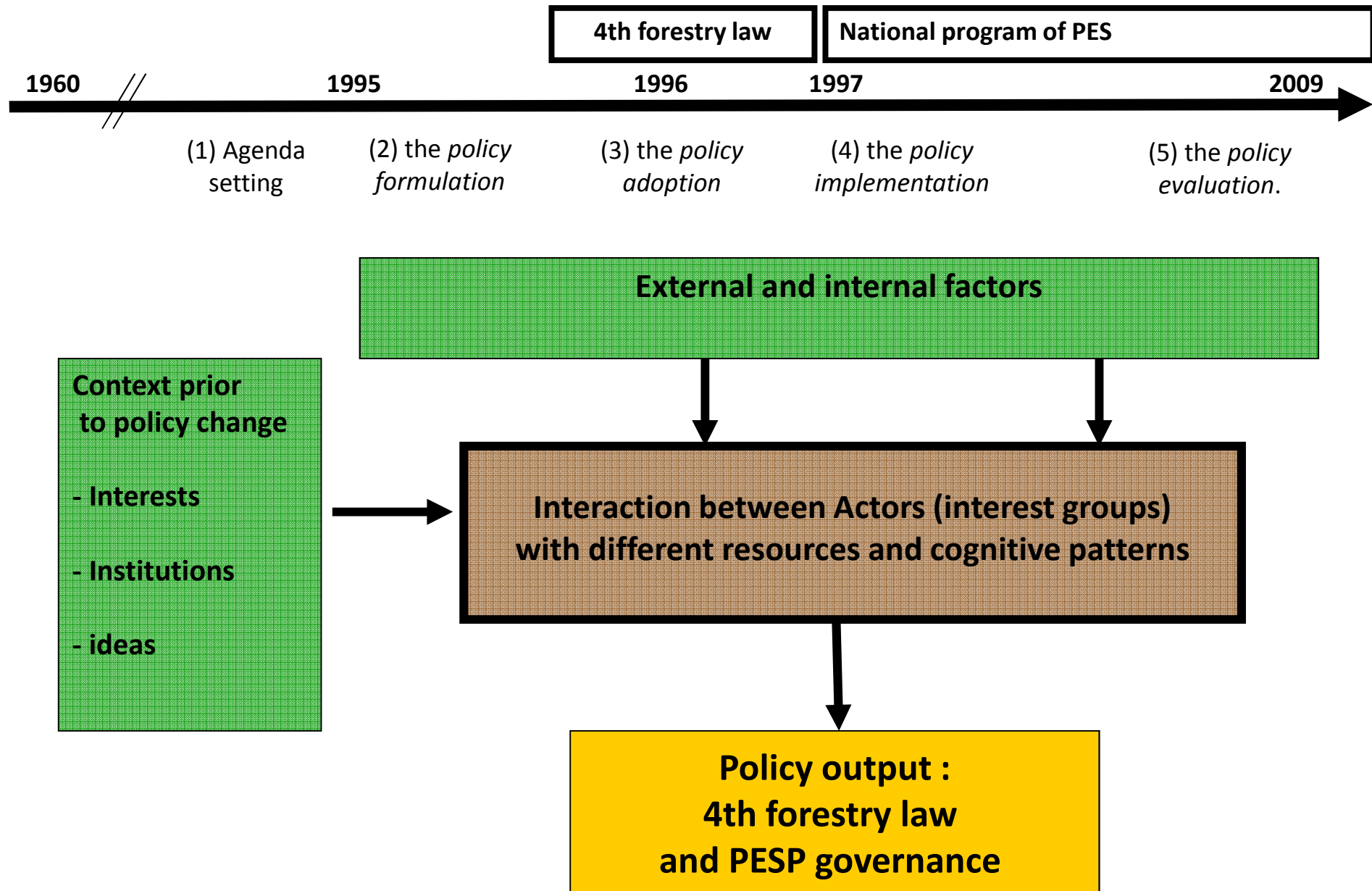
2. Cognitive approach to understand the process

➔ “Institutions, Interest and Idea” model (Hall, 1997; Surel, 1998)

➔ Policy change as the result of actors interaction in a context: policy as a result of actors strategies according to their policy action resources and cognitive characteristics (Hasenteufel, 2008).

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Analytical framework for policy process applied to PESP



Source: authors

Materials and methods

- **Literature**

- Review of existing academic literature
- Review of program documents : decree, manual of procedure, evaluations ...
- Review of minutes of assembly debate

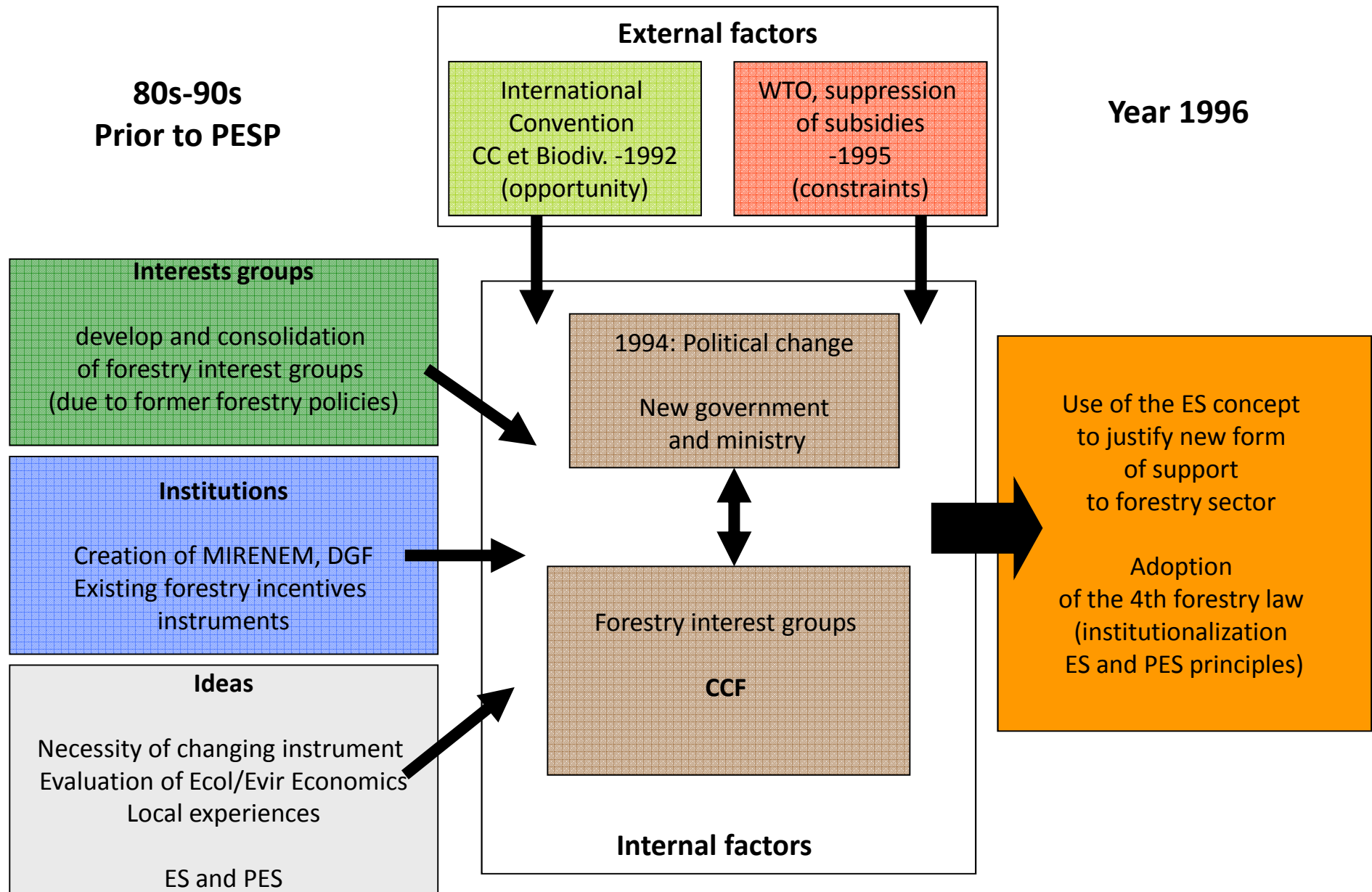
- **Direct interviews of 35 actors**

- Involved in the process of genesis y implementation and from different sector
- Civil servants (Fonafifo, Sinac, colegio de agronomos,...)
- Representation and staff (forestry, agriculture, ecologist association)
- Former Deputy and Ministrer

Costa Rican PES in a nutshell

- **Implemented since 1997/ Legal Forest law 1996**
- **Four Forest and forest plantation ES recognized :**
Carbon Sequestration, Hydrologic services, Biodiversity conservation, Scenic beauty
- **Five main types of PES contracts :**
Protection, Reforestation, Sustainable Forest Management,
Tree plantation in Agro forestry System, Regeneration
- **Diversity of funding source:**
Oil tax, water tariff, international cooperation, and private donation
- **Inputs based payment:**
- **Implementation rules:**
 - Management by FONAFIFO (3 public bodies, 2 private representing forestry sectors)
 - Control : Forestry Administration of AFE
 - Priority setting : SINAC
 - Control execution : CGR

Adoption of PESP



Main objectives and positions of main interest's groups related to forestry issues in the 1995

Sectors		Agricultural		Forestry		Environ.
Interests groups		Large agricultural (business) farmers	Small holder farmers (peasant)	Small forestry farmer	Large forestry entrepreneurs & wood industrial	Environ-mentalists and ecologists
Main objectives (related with forestry issues)		Maintain land use extension for agricultural purpose	Develop agriculture and forestry (agro forestry) for local income generation and diversification	Sustain forestry activity (community management for income generation)	Sustain forestry activity (wood production for industry)	Maintain biodiversity and natural ecosystem
Position according to point of debate of the law	recognition of SE provision by forest	-	Favourable	Favourable	Favourable	(Favourable)
	recognition of PES mechanism	-	Favourable	Favourable	Favourable	(Favourable)
	PES modalities	-	favourable to PES on Agro-forestry	favourable to management and reforestation and AgroForestry	favourable to management and reforestation	favourable to conservation, not management

Sources: authors based on stakeholders' interviews (2009-2013)

Resources and alliances of the interest groups in 1995-1996

Sectors	Agricultural		Forestry		Environ.
Interests groups	large agricultural farmers	small holder farmers (peasant)	Small forestry farmer	large forestry entrepreneurs, wood industrial	Environ-mentalists and ecologists
Institutional resources	Strong alliance with MAG	Low conflict with MAG	Conflicting alliance with MIRENEM	Strong alliance with Ministry of Environment (MIRENEM)	Conflicting alliance with SINAC
Organizational resources	Strong but low mobilization	Fair (atomization movement)	Fair national representation (JUNAFORCA)	Strong national representation incl. local organization (CCF)	Fair national representation (FECON)
Political resources	Strong	Low	Low	Strong (Majority fraction of PLN)	Limited (1 small fraction of PLN)
Technical resources	Good (but agronomists)	Limited	Limited	Strong Academic support (Ecol. Economics) Agronomist college (incl. forest. engineer)	Fair Academic support (biologist) biologic college
Public opinion	Not favourable	Favourable	Favourable	Mitigate ("wood cuter"/ forest provider of services)	Very favourable
Financial resources	Important (but not on theme)	Limited (NGO)	Limited (NGO)	Important (major funding agency on theme)	Fair (international NGO)

Sources: authors based on stakeholders' interviews (2009-2013)

Discussion (1)

- **Policy process: pace and extent of change**
 - Rapid policy process due to a *policy windows* (Kingdon, 1995), which role of policy entrepreneurs that links 3 streams (Le Coq et al, 2012)
 - But also a balance of power of groups of interests (forestry interest groups)
 - ➔ Stakeholders analysis enable to understand not only the pace of emergence, but also the nature of the change
- **Policy process: international and domestic factors**
 - International factor as regimen of constraints and opportunities
 - But Internal factors (Idea/Institutions/Interest) were key factors
 - ➔ Role of scientific information, economic valuation and experiences are necessary but not sufficient

Discussion (2)

- **Policy process and PESP governance**
 - Exclusive orientation toward on forest and plantation limited entry on other ecosystem
 - Different from ES-oriented genesis (PES hydraulic – Carbon offset)
 - Low commodification / input based nature
 - Difficulties to measure but also Interest on forest (service and production) more than ES delivery
 - Logic of compensation for forest land use change prohibition more than market logic
 - Modality of actions
 - Forest Management modalities (which are against interest of conservationist vision)
 - Decision and control structure
 - Controlled by forestry organizations: FONAFIFO (public structure with public/private board) - ONF / Agro College
 - No direct indigenous or local government representations
 - Monitoring and evaluation
 - Based on forest cover, not on ES
 - Technical difficulties, but also not focal interest

Conclusion

- The emergence of new policy instrument rely on the existence of four key factors
 - (1) a problem clearly defined and largely acknowledged
 - (2) specific public institutions and incentives programs (Institutions)
 - (4) Consolidated organizations (Interests)
 - (3) new ideas on problem and schemes (Ideas)
- The pace of policy sequences rely on a conjunction of internal and external factors :
 - (1) Specific external new constraints and opportunity
 - (2) Empowerment and internal compromises between stakeholders led by a dominant group of interests.
- Key PES governance feature results from policy process
- Comprehension of stakeholders in essential for governance setting of PES programs

Thank You for attention
and comments

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Abstract

- **Genesis of Payment for Environmental Services Program in Costa Rica: a policy process perspective**
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- **Abstract**
- The notion of ecosystem services (ES) has been rising during the last decade. It has led to new generation of mechanisms to cope with environmental issue in various countries. Costa Rica was pioneer in operationalize the concept though a specific policy instrument: the Payment for Environmental Services program (PESP).
- Based on literature review and interviews of stakeholders, we analyse the policy process that have led to the emergence of the PSEP.
- We combine (i) the sequential approach of policy cycle to identify and describe the different phase of the emergence of Costa Rica PESP from the problem setting phase to the decision phase institutionalizing the program through the Costa Rican forestry law of 1996, and (ii) cognitive approach of policy process analysis to identify the internal and external factors that have led to the emergence of this program.
- We show that, in the case of Costa Rican PESP, the policy steps were rapids from the agenda setting to the decision due to external constraints and internal compromises between leading actors in a context of dominance of one group of interest. The emergence was facilitated by an early problem setting on deforestation and the existence of forestry incentive instruments as well as a consolidation of forestry organisations and institutions. The governance of the program reflected the existing balance of power between interest groups of different sectors (forestry, agricultural, conservation) involved in forest areas management.